

STATE OF ILLINOIS - SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF:	SENIOR FINANCIAL STRATEGIES, INC.,)
	D/B/A PINNACLE INVESTMENT)
	ADVISERS, THOMAS N. COOPER AND)
	SUSAN B. COOPER.)

File No. 0800064

Order

TO THE RESPONDENTS: Senior Financial Strategies, Inc.
d/b/a Pinnacle Investment Advisors
Thomas N. Cooper
Susan B. Cooper
c/o Tom Kelty
Kelty Law Office
P.O. Box 2243
Springfield, Ill 62705

WHEREAS, the record of the above-captioned matter has been reviewed by the Secretary of State or his duly authorized representative;

WHEREAS, the rulings of the Hearing Officer on the admission of evidence and all motions are deemed to be proper and are hereby concurred with by the Secretary of State;

WHEREAS, the proposed Findings of Facts and Conclusions of Law and Recommendation of the Hearing officer, John K. Ellis, in the above-captioned matter have been read and examined; and

WHEREAS, the following proposed Findings of Fact are correct and are adopted by the Secretary of State as follows:

1. The pleadings, Exhibits and testimony, in this Matter heard on September 15, 2010, September 16, 2010, November 9, 2010, November 10, 2010, and December 14, 2010, have been offered and received from the Department and the Respondents, and a proper record of all proceedings has been made and preserved as required by law.
2. The Hearing Officer has ruled on all motions and objections timely made and submitted.
3. The Hearing Officer and the Secretary of State Securities Department have jurisdiction over the parties and the subject matter dealt with herein, due and proper notice having been previously given as required by statute in this Matter.

4. Senior Financial Strategies, Inc. is an Illinois corporation organized on August 28, 2000, and has an assumed business name of Pinnacle Investment Advisers, and is an Investment Adviser registered in the State of Illinois from March 22, 2004 to the present. It is also licensed to sell insurance in the State of Illinois.
5. Senior Financial Strategies, Inc., d/b/a Pinnacle Investment Advisers ("Pinnacle Investment Advisers"), has offices located in Bradley, Champaign, Normal and Peoria, Illinois.
6. Thomas N. Cooper is an Investment Adviser Representative registered in the State of Illinois from March 22, 2004 to the present. He is also licensed in Illinois as an insurance agent to sell life, accident and health insurance.
7. Susan B. Cooper is an Investment Adviser Representative registered in the State of Illinois from March 22, 2004 to the present. She is also licensed in Illinois as an insurance agent to sell life, accident, health and casualty insurance and variable contracts.
8. Pinnacle Investment Advisers advertised and provided free dinners or lunches in conjunction with retirement planning workshops.
9. An advertisement of Pinnacle Investment Advisers stated that retirement planning workshop attendees would learn how to "Avoid nursing home spend down."
10. On the Respondents' website, pinnacleinvestmentadvisers.com, and in materials provided to their clients and prospective clients, the Respondents stated that they are fiduciaries and further stated: "As Fiduciaries, we:
 1. Put the client's best interests first.
 2. Act with the utmost due care and in good faith.
 3. Do not mislead clients.
 4. Provide full and fair disclosure of all material facts.
 5. Disclose and fairly manage all conflicts of interest."
11. Additionally, the pinnacleinvestmentadvisers.com website stated: "Cost/Savings benefit - We save clients significant annual fees. Fees for services are fully disclosed at all times. There are no hidden fees and no surprises - ever! We also are able to help clients manage their taxes and save."
12. Illinois residents GK and DK, husband and wife, became clients of the Respondents through an 'Engagement Letter' signed September 6, 2006. The Respondents agreed to provide investment portfolio review services which would include recommendations of changes to the investment portfolio. GK and DK agreed to pay \$250.00 for these services.

13. As part of the investment portfolio review, the Respondents prepared and provided to GK and DK a "Plan of Action" and a "Before and After Summary" of their investment portfolio. The Plan of Action recommended a partial surrender of funds from a Lincoln Benefit Life (LBL) Variable Annuity held in an IRA by GK to purchase the Aviva USA EIA. Aviva USA is also known as Amerus Life Insurance Company, Aviva Life and Annuity Company, and EquiTrust Life Insurance Company. The Respondents' Plan of Action also recommended "Leave \$1,000 in LBL to hold \$30,000 of Life Insurance."
14. On or about October 19, 2006, GK signed documents that were prepared by the Respondents containing a request to transfer \$46,000.00 from GK's LBL Variable Annuity to the Aviva USA EIA. The Respondents mailed the request to Lincoln Benefit Life, an Allstate company, for processing. The transfer was a partial withdrawal, leaving \$2,000.00 remaining in the LBL Variable Annuity to preserve \$31,625.85 of life insurance death benefits.
15. By letter dated August 15, 2007, Lincoln Benefit Life confirmed the reduction of GK's life insurance death benefits due to the 2006 transfer of the LBL Variable Annuity to the Aviva USA EIA.
16. The reduction in the LBL Variable Annuity life insurance death benefits totaled \$27,092.43, from \$31,625.85 down to \$4,533.42.
17. On or about January 15, 2008, the Department received a complaint from GK and DK, alleging that the Respondents had through negligence and lack of oversight, as well as a breach of fiduciary duty, caused the complainants to suffer the \$27,092.43 reduction in life insurance death benefits.
18. On or about February 25-29, 2008, June 9 and 10, 2008, and June 18, 2008, the Department conducted compliance audits of the Respondents pursuant to Section 11 of the Act.
19. Additionally, the Department took the sworn testimony of Thomas N. Cooper and Susan B. Cooper and subpoenaed documents from two insurance companies and Senior Financial Strategies, Inc.
20. During its audit and investigation, the Department reviewed documents that disclosed that from February 26, 2008 through June 9, 2008, the Respondents sold 65 Aviva USA EIAs. The Aviva USA EIA was a financial product that had been approved by the Illinois Department of Insurance during February, 2008 for sale in Illinois. Also during the time period of February 26, 2008 through June 9, 2008, the Respondents earned \$426,281.79 in commissions solely for the sale of these 65 Aviva USA EIAs.
21. The Department further investigated 12 transactions involving clients of the Respondents who purchased the Aviva USA EIA from the liquidation of another annuity or IRA previously sold to each of the 12 clients by the Respondents. Since each of the 12 previously sold annuities or IRAs had not been held for the

required period, the liquidation and subsequent purchase of the Aviva USA EIA was subject to a surrender penalty. The average (and median) age of the 12 clients was 73 years old. Six of these clients were previously invested in IRAs. The total surrender penalties for these 12 clients was \$122,630.24. The total commissions paid to the Respondents for the following 12 Aviva USA EIAs were \$80,134.63.

The 12 client files are as follows:

JL liquidated an American Equity Annuity worth \$143,283.98 to purchase an Aviva USA EIA worth \$139,527.79, after Aviva USA added bonuses. Excluding the Aviva USA bonuses, JL incurred a \$17,922.08 surrender penalty.

BG liquidated an American Equity Annuity worth \$39,984.53 to purchase an Aviva USA EIA worth \$38,352.16, after Aviva USA added bonuses. Excluding the Aviva USA bonuses, BG incurred a \$5,197.98 surrender penalty.

GH liquidated an American Equity Annuity worth \$66,535.56 to purchase an Aviva USA EIA worth \$64,036.80, after Aviva USA added bonuses. Excluding the Aviva USA bonuses, GH incurred a \$9,000.24 surrender penalty.

RC liquidated an American Equity Annuity worth \$98,362.42 to purchase an Aviva USA EIA worth \$90,724.19, after Aviva USA added bonuses. Excluding the Aviva USA bonuses, RC incurred a \$16,072.90 surrender penalty.

KK liquidated an Allianz Annuity worth \$35,642.56 to purchase an Aviva USA EIA worth \$34,527.91, after Aviva USA added bonuses. Excluding the Aviva USA bonuses, KK incurred a \$5,748.26 surrender penalty.

RK liquidated an Allianz Annuity worth \$35,642.56 to purchase an Aviva USA EIA worth \$34,525.62, after Aviva USA added bonuses. Excluding the Aviva USA bonuses, RK incurred a \$5,750.24 surrender penalty.

DD liquidated an Allianz Annuity worth \$91,894.94 to purchase an Aviva USA EIA worth \$90,372.51, after Aviva USA added bonuses. Excluding the Aviva USA bonuses, DD incurred a \$9,924.40 surrender penalty.

JD liquidated an Allianz Annuity worth \$44,460.55 to purchase an Aviva USA EIA worth \$43,713.17, after Aviva USA added bonuses. Excluding the Aviva USA bonuses, JD incurred a \$5,185.46 surrender penalty.

JS liquidated an American Equity Annuity worth \$74,174.44 to purchase an Aviva USA EIA worth \$71,823.85, after Aviva USA added bonuses. Excluding the Aviva USA bonuses, JS incurred a \$9,642.67 surrender penalty.

DM liquidated an American Equity Annuity worth \$53,815.68 to purchase an Aviva USA EIA worth \$52,110.26, after Aviva USA added bonuses. Excluding the Aviva USA bonuses, DM incurred a \$6,996.03 surrender penalty.

WS liquidated an Old Mutual Financial Annuity worth \$222,413.64 to purchase an Aviva USA EIA worth \$226,381.16, after Aviva USA added bonuses. Excluding the Aviva USA bonuses, WS incurred a \$19,016.37 surrender penalty.

DB liquidated an EquiTrust Annuity worth \$162,702.68 to purchase an Aviva USA EIA worth \$167,538.85, after Aviva USA added bonuses. Excluding the Aviva USA bonuses, DB incurred a \$12,173.61 surrender penalty.

22. Current Illinois law does not prohibit the replacement or exchange of annuities. Current Illinois law does not address the issue of surrender penalties.
23. An insurance company receiving a transfer of an annuity has an obligation under Illinois law to block the transfer if it is found to be unsuitable. Aviva USA did not block any of the 12 transactions.
24. The Respondents represented to the 12 clients that investing in an Aviva USA EIA would provide the following benefits: four percent guarantees on income for life, Medicaid spend down protection, 20 percent free withdrawal if no withdrawal taken during the previous year, non-qualified contracts have the Survivor Benefit Writer, six different interest crediting strategies, full amount to beneficiaries without annuitizing, guarantees of starting and stopping income at any time, ability to take income without annuitizing, and that on each contract anniversary after the first withdrawal, eligibility for a step-up for an increase in the annual benefit.
25. The bonuses paid by AVIVA USA into the 12 Aviva USA EIAs totaled \$107,350.97 and the surrender charges totaled \$122,630.24, a difference of \$15,279.27.
26. The money paid in surrender charges is not available to grow in the Aviva USA EIA.
27. Each Aviva USA EIA would have to earn a higher rate of return over the annuity's 10 year period in order to break even with the surrendered annuity or IRA.
28. Deferred annuities do not provide Medicaid spend-down protection. A single premium immediate annuity with certain features will protect assets from Medicaid spend-down. None of the Aviva USA EIAs were single premium immediate annuities. There is no deadline to purchase a Medicaid compliant annuity. An individual who is already in a nursing home may still purchase an annuity. Similarly, purchasing a Medicaid compliant annuity is not an attractive option if one does not know or expect to be requiring long term care.
29. The only true difference between a surrendered annuity and the Aviva USA EIA was the Aviva USA EIA's income rider option, from which the income account value is derived. The income rider provided the client the option to receive withdrawals of cash. For the income rider, the client pays a fee which is based

upon the total amount of the income account value. Any withdrawals of cash also reduced the cash value of the annuity. Additionally, the premium fee is deducted from the cash value of the annuity. The maximum yearly amount of withdrawals is based upon the income account value of the annuity and whether the client chooses to elect life time pay withdrawals or some other amount up to and including a maximum monthly withdrawal. The income account value has no actual cash value but is simply used to determine the withdrawal amount should the client elect to withdraw cash by exercising the income withdrawal option.

30. But the income rider option is not the only way that a client may withdraw funds from the Aviva USA EIA. The client could also make withdrawals of cash without exercising the income pay option by: (1) taking a 10% withdrawal without surrender penalty during the surrender period; (2) withdrawing more than 10% up to the full amount during the surrender period and incurring a surrender penalty; (3) withdrawing any amount without penalty after the surrender period of ten years has expired; or (4) by annuitizing the annuity by converting the cash value of the contract to an income stream of payments for a fixed period of time or for the lifetime of an annuitant.
31. While the client is making withdrawals under the income rider, the premium fee is still charged to the cash value and the income account value ceases to increase by four percent per year. The cash value is reduced by the withdrawals but it may increase if the selected index increases in value.
32. The income rider option has several downsides: (1) the client had to pay a fee for the rider and its guarantees based upon the income account value, which fee varied from a low of \$17.00 per year to \$941.00 per year; (2) the income rider did not allow a full withdrawal of the income account value in a lump sum but rather only allowed a set withdrawal amount based upon whether the client wanted to withdraw the maximum amount for a limited time period or withdraw a lower amount but guaranteed for their life time.
33. If the client wanted to set up an income stream of withdrawals under the surrendered annuity, the client could have taken withdrawals of under 10% per year. The client would not have been subject to a surrender penalty and would not pay a rider fee.
34. Under a suitability standard, the salesperson only has to recommend a product that meets the client's needs. Under a fiduciary standard, the salesperson has to consider alternative products, disclose all conflicts and the fact that some products pay higher commissions than others.
35. The transactions were both unsuitable and not in the best interests of the clients due to the clients' age, as well as no derivation of additional tax benefits and the surrender penalties incurred due to the early liquidation of existing annuities and IRAs.
36. As Illinois registered investment adviser representatives and investment advisers, Respondents are held to a fiduciary standard and must act in the best interests of

their clients.

37. Section 2.1 of the Act defines the term "Security" as any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit sharing agreement, collateral trust certificate, pre-organization certificate or subscription, transferable share, investment contract, investment fund share, face-amount certificate, voting-trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas or other mineral lease, right or royalty, any put, call, straddle, option, or privilege on any security, certificate of deposit, or group or index of securities (including any interest therein or based on the value thereof), or any put, call, straddle, option or privilege entered into on a national securities exchange relating to foreign currency, or, in general, any interest or instrument commonly known as a "Security", or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing. "Security" does not mean a mineral investment contract or a mineral deferred delivery contract; provided, however, the Department shall have authority to regulate these contracts as hereinafter provided.
38. Section 2.5 of the Act defines the term "Sale or Sell" to include the full meaning of that term as applied by or accepted in the courts of this State, and shall include every contract of sale or disposition of a security or interest in a security for value.
39. Section 2.5a of the Act defines the term "Offer" to include every offer to sell or otherwise dispose of, or solicitation of an offer to purchase, a security or interest in a security for value; provided that the term "Offer" shall not include preliminary negotiations or agreements between an issuer and any underwriter or among underwriters who are or are to be in privity of contract with an issuer, or the circulation or publication of an identifying statement or circular or preliminary prospectus, as defined by rules or regulations of the Secretary of State.
40. Each of the above referenced investment plans is an investment contract and therefore is a security as that term is defined pursuant to Section 2.1 of the Act.
41. Section 12.A of the Act provides, inter alia, that it shall be a violation of the Act for any person to offer or sell any securities except in accordance with the provisions of the Act.
42. Section 12.F of the Act provides, inter alia, that it shall be a violation of the Act for any person to engage in any transaction, practice or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
43. Section 12.G of the Act provides, inter alia, that it shall be a violation of the Act for any person to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

44. Section 12.H of the Act provides, inter alia, that it shall be a violation of the Act for any person to sign or circulate any statement, prospectus, or other paper or document required by any provision of this Act or pertaining to any security knowing or having reasonable grounds to know any material representation therein contained to be false or untrue.
45. Section 12.I of the Act provides, inter alia, that it shall be a violation of the Act for any person to employ any device, scheme or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly.
46. Section 12.J of the Act provides, inter alia, that it shall be a violation of the Act for any person, when acting as an investment adviser, investment adviser representative, or federal covered investment adviser, by any means or instrumentality, directly or indirectly: (1) to employ any device, scheme or artifice to defraud any client or prospective client; (2) to engage in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client; or (3) to engage in any act, practice, or course of business which is fraudulent, deceptive or manipulative. The Secretary of State shall for the purposes of this paragraph (3), by rules and regulations, define and prescribe means reasonably designed to prevent such acts, practices, and courses of business as are fraudulent, deceptive, or manipulative.
47. Section 130.853 of the Rules and Regulations promulgated under the Act (14 Ill. Admin. Code Section 130.853) provides that “[e]ffecting or causing to be effected by or for any client’s account, any transactions of purchase or sale which are excessive in size or frequency or unsuitable in view of the financial resources and character of the account, shall constitute an act, practice or course of business on the part of the registered investment adviser or its representative effecting such transactions or causing the transactions to be effected that is fraudulent, deceptive or manipulative.”
48. The Department’s burden of proof is the preponderance of the evidence.
49. At all times relevant hereto, the Respondents offered or sold Aviva USA EIAs in violation of the Act [as demonstrated in Paragraphs 50-54, below].
50. At all times relevant hereto, the Respondents engaged in a transaction, practice or course of business in connection with the sale of Aviva USA EIAs which worked or tended to work a fraud or deceit upon the purchasers thereof by representing to their clients who liquidated existing annuities or IRAs to purchase Aviva USA EIAs that the surrender penalties to be incurred would be recovered; that the values of the Aviva USA EIAs after one year would increase annually by four percent when in fact this was not a current annuity contract value (cash value) but rather an income account value that could only be received if an income rider was purchased for the annuity and could not be received as a lump sum payout but rather only as a limited withdrawal per year of a percentage of the total income account value; that investing in Aviva USA EIAs would protect their invested assets from Medicaid spend-down provisions; and that Aviva USA EIAs were a

better investment over their current annuities or IRAs because they would allow surrender penalty free withdrawals of up to 20% per year.

51. At all times relevant hereto, the Respondents obtained money through the sale of Aviva USA EIAs by means of an untrue statement of a material fact or an omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, by representing to GK and DK that the death benefits of the Lincoln Benefit Life policy would be preserved after the liquidation of the LBL Variable Annuity and the subsequent purchase of the Aviva USA EIA, when, in fact, the liquidation of the Lincoln Benefit Life Variable Annuity caused the loss of the death benefits; and by representing to their clients who liquidated existing annuities or IRAs to purchase Aviva USA EIAs that the surrender penalties to be incurred would be recovered, that the values of the Aviva USA EIAs after one year would increase annually by four percent when in fact this was not a current annuity contract value (cash value) but rather an income account value that could only be received if an income rider was purchased for the annuity and could not be received as a lump sum payout but rather only as a limited withdrawal per year of a percentage of the total income account value; that investing in Aviva USA EIAs would protect their invested assets from Medicaid spend-down provisions, and that Aviva USA EIAs were a better investment over their current annuities or IRAs because they would allow a surrender penalty free withdrawal of up to 20% per year.
52. At all times relevant hereto, the Respondents signed or circulated statements or other papers or documents required by any provision of the Act or pertaining to any security knowing or having reasonable grounds to know any material representation contained therein to be false or untrue by representing to their clients who liquidated existing annuities or IRAs to purchase the Aviva USA EIAs that the surrender penalties to be incurred would be recovered, that the values of the Aviva USA EIAs after one year would increase annually by four percent when in fact this was not a current annuity contract value (cash value) but rather an income account value that could only be received if an income rider was purchased for the annuity and could not be received as a lump sum payout but rather only as a limited withdrawal per year of a percentage of the total income account value; that investing in Aviva USA EIAs would protect their invested assets from Medicaid spend-down provisions; and that the Aviva USA EIAs were a better investment over their current annuities or IRAs because they would allow a surrender penalty free withdrawal of up to 20% per year.
53. At all times relevant hereto, the Respondents employed devices, schemes or artifices to defraud in connection with the sale of securities directly or indirectly, by representing to their clients who liquidated existing annuities or IRAs to purchase Aviva USA EIAs that the surrender penalties to be incurred would be recovered; that the values of the Aviva USA EIAs after one year would increase annually by four percent when in fact this was not a current annuity contract value (cash value) but rather an income account value that could only be received if an income rider was purchased for the annuity and could not be received as a lump sum payout but rather only as a limited withdrawal per year of a percentage of the

total income account value; that investing in Aviva USA EIAs would protect their invested assets from Medicaid spend-down provisions; and that Aviva USA EIAs were a better investment over their current annuities or IRAs because they would allow a surrender penalty free withdrawal of up to 20% per year.

54. At all times relevant hereto, the Respondents when acting as investment adviser representatives, by any means or instrumentality, directly or indirectly, employed devices, schemes or artifices to defraud clients or prospective clients, engaged in transactions, practices, or courses of business which operates as a fraud or deceit upon clients or prospective clients, or engaged in acts, practices or courses of business which is fraudulent, deceptive or manipulative, by representing to their clients who liquidated existing annuities or IRAs to purchase Aviva USA EIAs that the surrender penalties to be incurred would be recovered; that the values of the Aviva USA EIAs after one year would increase annually by four percent when in fact this was not a current annuity contract value (cash value) but rather an income account value that could only be received if an income rider was purchased for the annuity and could not be received as a lump sum payout but rather only as a limited withdrawal per year of a percentage of the total income account value; that investing in Aviva USA EIAs would protect their invested assets from Medicaid spend-down provisions; and that Aviva USA EIAs were a better investment over their current annuities or IRAs because they would allow a surrender penalty free withdrawal of up to 20% per year.
55. By virtue of the foregoing, the Respondents have violated Sections 12.A, F, G, H, I and J of the Act.
56. By virtue of the foregoing, the Respondents' registrations are subject to suspensions or revocations pursuant to Section 8.E.1(b), (f), (g) and (m) of the Act.
57. Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated subsections F, G, H, I or J of Section 12 of the Act, the Secretary of State may by written order temporarily or permanently prohibit or suspend the person from offering or selling any securities in this State, provided that any person who is the subject of an order of permanent prohibition may petition the Secretary of State for a hearing to present evidence of rehabilitation or change of circumstances justifying the amendment or termination of the order of permanent prohibition.
58. Section 11.E(4) of the Act provides, inter alia, that the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act, may issue an order of public censure, and may charge as costs of investigation all reasonable expenses, including attorney's fees and witness fees.
59. By virtue of the foregoing, the Respondents are [each] subject to a fine of up to \$10,000.00 per violation, costs of investigation, reasonable expenses, an Order of public censure, an Order which permanently prohibits the Respondents from offering or selling securities in the State of Illinois, and an Order that suspends or

revokes their investment adviser and/or investment adviser representative registrations in the State of Illinois.

60. The entry of a final written Order that revokes the investment adviser representative registrations and permanently prohibits the Respondents Senior Financial Strategies, Inc., d/b/a Pinnacle Investment Advisers, Thomas N. Cooper and Susan B. Cooper, from offering or selling securities in the State of Illinois is proper in this Matter, given the conduct of the Respondents as described in the pleadings, the Exhibits, and the testimony.

WHEREAS, the proposed Conclusions of Law are correct and are adopted by the Secretary of State as follows:

1. The actions, representations, and/or omissions of the Respondents Senior Financial Strategies, Inc., d/b/a Pinnacle Investment Advisers, Thomas N. Cooper and Susan B. Cooper, made in connection with the failure to offer or sell any security in accordance with the provisions of the Act are violations of Section 12.A of the Act [as demonstrated in Paragraphs 50-54 of the Findings of Fact, above].
2. The actions, statements, representations, and/or omissions of the Respondents Senior Financial Strategies, Inc., d/b/a Pinnacle Investment Advisers, Thomas N. Cooper and Susan B. Cooper, made in connection with the offer or sale of securities and worked or tended to work a fraud or deceit upon an Illinois purchaser are violations of Section 12.F of the Act [as more fully set forth in Paragraph 50 of the Findings of Fact, above].
3. The actions, statements, representations, and/or omissions of the Respondents Senior Financial Strategies, Inc., d/b/a Pinnacle Investment Advisers, Thomas N. Cooper and Susan B. Cooper, which were untrue or misleading of material facts and were made to obtain money from an Illinois purchaser are violations of Section 12.G of the Act [as more fully set forth in Paragraph 51 of the Findings of Fact, above].
4. The actions of the Respondents Senior Financial Strategies, Inc., d/b/a Pinnacle Investment Advisers, Thomas N. Cooper and Susan B. Cooper, in signing or circulating any statement, prospectus, or other paper or document required by any provision of this Act or pertaining to any security knowing or having reasonable grounds to know any material representation therein contained to be false or untrue are violations of Section 12.H of the Act [as more fully set forth in Paragraph 52 of the Findings of Fact, above].
5. The actions, statements, representations, and/or omissions of the Respondents Senior Financial Strategies, Inc., d/b/a Pinnacle Investment Advisers, Thomas N. Cooper and Susan B. Cooper, employing any device, scheme or artifice to defraud in connection with the sale of any security, directly or indirectly, are violations of Section 12.I of the Act [as more fully set forth in Paragraph 53 of the Findings of Fact, above].

6. The actions, statements, representations, and/or omissions of the Respondents Senior Financial Strategies, Inc., d/b/a Pinnacle Investment Advisers, Thomas N. Cooper and Susan B. Cooper, when acting as an investment adviser representative, by any means or instrumentality, directly or indirectly: (1) to employ any device, scheme or artifice to defraud any client or prospective client; (2) to engage in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client; or (3) to engage in any act, practice, or course of business which is fraudulent, deceptive or manipulative, are violations of Section 12.J of the Act [as more fully set forth in Paragraph 54 of the Findings of Fact, above].
7. By virtue of the foregoing and because of the Findings of this Order, the pleadings, the Exhibits admitted as Secretary of State Exhibits Nos. 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 61, 63, 64, 65, 66 and 67, and the testimony, the Respondents Senior Financial Strategies, Inc., d/b/a Pinnacle Investment Advisers, Thomas N. Cooper and Susan B. Cooper, are subject to the entry of a final written Order pursuant to Sections 8.E(1) and 11.E(2) of the Act that REVOKES their investment adviser representative registrations and permanently PROHIBITS the Respondents from offering or selling securities in the State of Illinois.

WHEREAS, the proposed Findings of Fact and Conclusions of Law of the Hearing Officer have been adopted by the Secretary of State, the Secretary of State adopts the additional Conclusions of Law:

8. Senior Financial Strategies, Inc., d/b/a Pinnacle Investment Advisers, is subject to the entry of a final written Order pursuant to Section 8.E(1) that REVOKES its Investment Adviser registration in the State of Illinois.
9. Respondents Senior Financial Strategies, Inc., d/b/a Pinnacle Investment Advisers, Thomas N. Cooper and Susan B. Cooper are [each] subject to a FINE of up to \$10,000 per violation.

WHEREAS, the proposed Recommendations of the Hearing Officer are hereby adopted by the Secretary of State.

NOW THEREFORE IT IS HEREBY ORDERED: That pursuant to the foregoing Findings of Fact, Conclusions of Law, and the Recommendations of the Hearing Officer,

1. Senior Financial Strategies, Inc., DBA Pinnacle Investment Adviser's registration as an Investment Adviser in the State of Illinois is hereby immediately REVOKED.
2. Thomas N. Cooper's registration as an Investment Adviser Representative in the State of Illinois is hereby immediately REVOKED.

3. Susan B. Cooper's registration as an Investment Adviser Representative in the State of Illinois is hereby immediately REVOKED.
4. Senior Financial Strategies, Inc., DBA Pinnacle Investment Advisers is hereby immediately PROHIBITED from offering or selling securities in the State of Illinois.
5. Thomas N. Cooper is hereby immediately PROHIBITED from offering or selling securities in the State of Illinois.
6. Susan B. Cooper is hereby immediately PROHIBITED from offering or selling securities in the State of Illinois.
7. Respondents Senior Financial Strategies, Inc., d/b/a Pinnacle Investment Advisers, Thomas N. Cooper and Susan B. Cooper, jointly and severally, are hereby FINED the sum of \$10,000.00, payable to the Office of the Illinois Secretary of State, Securities Department, Audit and Enforcement Fund, within thirty (30) days of the entry of this Order.

ENTERED: This 24th day of May, 2011



JESSE WHITE
Secretary of State
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the Illinois Securities Law of 1953, as amended, 815 ILCS 5/1 et seq. (the "Act"). Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony.

This is a final order subject to administrative review pursuant to the Administrative Review Law, 735 ILCS 5/3-101 et seq. and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch. I, Sec. 130.1123). Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.

Attorney for the Secretary of State:
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Cheryl Goss Weiss
Illinois Securities Department
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